



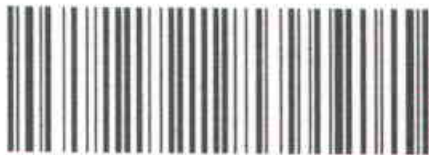
State of Utah

DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, UT 84114-5801

RETURN SERVICE REQUESTED

*I put the new
address on the letter
and added a
"re-sent" date.
Could you re-
send it?*

CERTIFIED MAIL™



7011 0110 0001 3568 3445



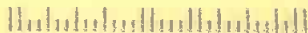
02 1R \$ 05.75⁰⁰
0002003541 JUN 08 2012
MAILED FROM ZIP CODE 84116

KAY JEAN ~~MATHEWS~~
RED WARRIOR ROCK INC
PO BOX 1422
ST GEORGE UT 84771

Box 898

841 NFE 1 2121 00
RETURN TO SENDER
: RED WARRIOR ROCK INC
BOX CLOSED
UNABLE TO FORWARD
RETURN TO SENDER
BC: 84114 *2236-0790-08-40
RECEIVED
JUN 11 2012
DIV OF OIL, GAS & MINING

84771\$1422 B00



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CERTIFIED MAIL™ RECEIPT

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OFFICIAL USE

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Postage

\$

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Return Receipt Fee
(Endorsement Required)

Restricted Delivery Fee
(Endorsement Required)

Notice of
Cancellation
(DD) Operator
provide surety
by 8-5-2012

Postmark
Here

Total Postage

Sent To

Street, Apt. Nr.
or PO Box No

City, State, Zip

KAY JEAN MATHEWS
RED WARRIOR ROCK INC
PO BOX 1422
ST GEORGE UT 84771

7011 0110 0001 3568 3445



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

June 6, 2012

CERTIFIED RETURN RECEIPT

7011 0110 0001 3568 3445

Kay Jean Mathews
Red Warrior Rock, Inc.
P. O. Box 1422
St. George, Utah 84771

Subject: Termination of Letter of Credit 15024508 and Requirement to Reclaim, Red Warrior Rock, Inc., Red Warrior Limestone Mine, S/053/0012, Washington County, Utah

Dear Mr. or Ms. Mathews:

Please review the enclosed notice of non-renewal notification from The Village Bank indicating letter of credit (LOC) 15024508 in the amount of \$18,000.00 for the Red Warrior Limestone mine will not be renewed. According to the terms of the LOC, the bank may elect not to renew as long as a 90-day notice is given to the Division of Oil, Gas and Mining (Division). The Division received the letter June 6, 2012, and will notify the bank that the LOC cannot expire prior to September 4, 2012. Paragraph 5 of the reclamation contract says the operator shall provide a replacement surety within 60 days following the Division's receipt of the cancellation/termination notice.

In addition, the Division requires that the mine site be reclaimed. Rule R647-3-113.5 states in part:

The Division will require complete reclamation of the mine site when the suspension period exceeds 10 years, unless the operator appeals to the Board prior to the expiration of the 10-year period and shows good cause for a longer suspension period.

Division records indicate the mine has been inactive since some time prior to 1999, 13 years, so the Division is obligated to require reclamation.

The Division requires that you adhere to one of the following options for performing reclamation and submitting a replacement surety:



1. If you complete basic regrading by August 5, 2012, the Division will only require a replacement surety of \$5000.00. The site needs to be scarified and seeded by October 15, 2012.
2. If grading is not completed by August 5, 2012, the Division will require that you replace the surety in its full amount, \$18,000.00, and that full reclamation be completed by October 15, 2012.

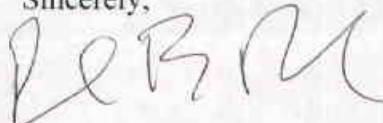
Please notify the Division in writing no later than July 9, 2012, which option you will pursue.

If you fail to adhere to this schedule, the Division will be forced to do all or some of the following:

- Carry out the terms of LOC number 15024508, i.e. submit a sight draft to The Village Bank for the full amount of the surety.
- Submit a request to the Board of Oil, Gas and Mining to withdraw the permit.
- Issue a cessation order for failure to maintain the required reclamation surety. A fine will be associated with the cessation order.

Please contact Penny Berry 801-538-5291 or by e mail at bondcoordinator@utah.gov if you have questions or require assistance regarding the surety. Other questions may be directed to me at 801-538-5261 or to Lynn Kunzler at 801-538-5310. Thank you in advance for your prompt attention to this important permitting requirement.

Sincerely,



Paul Baker
Minerals Program Manager